

ND RETIREMENT AND INVESTMENT OFFICE
Combined Balance Sheet
As of 7/31/2004

	As of <u>7-31-04</u>	As of <u>6-30-04</u>
ASSETS:		
INVESTMENTS (AT MARKET)		
DOMESTIC EQUITIES	\$ 1,338,559,909	\$ 1,408,965,677
INTERNATIONAL EQUITIES	590,617,311	619,279,473
DOMESTIC FIXED INCOME	1,435,587,815	1,392,735,177
INTERNATIONAL FIXED INCOME	132,141,620	128,573,435
REAL ESTATE POOL	172,124,828	171,657,037
VENTURE CAPITAL	121,688,273	119,537,408
INVESTED CASH (NOTE 1)	<u>90,405,369</u>	<u>105,239,583</u>
TOTAL INVESTMENTS	3,881,125,125	3,945,987,790
RECEIVABLES		
DIVIDEND/INTEREST RECEIVABLE	16,041,242	17,548,500
CONTRIBUTIONS/ASSESSMENTS REC	578,277	6,354,427
MISCELLANEOUS RECEIVABLES	<u>2,431</u>	<u>2,370</u>
TOTAL RECEIVABLES	16,621,950	23,905,297
OTHER ASSETS		
OPERATING CASH (NOTE 2)	7,998,400	8,511,301
DUE FROM OTHER AGENCIES (NOTE 3)	119,428	144,636
FIXED ASSETS (NET) (NOTE 4)	<u>423,388</u>	<u>423,388</u>
TOTAL ASSETS	<u>\$ 3,906,288,291</u>	<u>\$ 3,978,972,412</u>
LIABILITIES:		
ACCOUNTS PAYABLE	2,857,369	2,975,624
ACCRUED EXPENSES	494,753	402,723
CAPITAL LEASES PAYABLE	12,945	12,945
DUE TO OTHER AGENCIES (NOTE 5)	<u>119,427</u>	<u>144,636</u>
TOTAL LIABILITIES	3,484,494	3,535,928
NET ASSETS AVAILABLE:		
NET ASSETS AVAILABLE BEGIN OF YEAR	3,975,436,484	3,478,716,828
CASH IN DURING YEAR (NOTE 6)	28,241,185	286,853,033
CASH OUT DURING YEAR (NOTE 7)	26,334,854	291,355,037
NET INCREASE (DECREASE)	<u>(74,539,018)</u>	<u>501,221,660</u>
NET ASSETS AVAILABLE END OF PERIOD	<u>3,902,803,797</u>	<u>3,975,436,484</u>
TOTAL LIABILITIES & NET ASSETS AVAILABLE	<u>\$ 3,906,288,291</u>	<u>\$ 3,978,972,412</u>

ND RETIREMENT AND INVESTMENT OFFICE
Combined Profit and Loss Statement
For the Month Ended 7/31/2004

	Month Ended <u>7-31-04</u>	<u>Year-to-Date</u>
ADDITIONS:		
INVESTMENT INCOME		
INTEREST/DIVIDEND INCOME	\$ 10,562,484	\$ 10,562,484
SECURITIES LENDING INCOME	442,736	442,736
	<u>11,005,220</u>	<u>11,005,220</u>
GAIN ON SALE OF INVESTMENTS	25,644,574	25,644,574
LOSS ON SALE OF INVESTMENTS	<u>25,405,251</u>	<u>25,405,252</u>
NET GAINS (LOSSES) INVESTMENTS	239,323	239,322
INVESTMENT EXPENSES	443,780	443,782
SECURITIES LENDING EXPENSES	<u>355,289</u>	<u>355,288</u>
NET INVESTMENT INCOME	10,445,474	10,445,472
NET APPREC (DEPREC) MARKET VALUE	(78,840,984)	(78,840,983)
MISCELLANEOUS INCOME/(EXPENSE)	<u>17,243</u>	<u>17,243</u>
TOTAL INVESTMENT INCOME	(68,378,267)	(68,378,268)
CONTRIBUTIONS & ASSESSMENTS (NOTE 8)	713,561	713,561
PURCHASED SERVICE CREDIT (NOTE 9)	456,498	456,498
PENALTY & INTEREST (NOTE 10)	<u>145</u>	<u>145</u>
TOTAL ADDITIONS	<u>(67,208,063)</u>	<u>(67,208,064)</u>
DEDUCTIONS:		
BENEFITS PAID PARTICIPANTS (NOTE 11)	7,001,918	7,001,918
PARTIAL LUMP SUM BENEFITS PAID	115,717	115,717
REFUNDS TO MEMBER (NOTE 12)	<u>132,029</u>	<u>132,029</u>
TOTAL BENEFITS PAID	7,249,664	7,249,664
ADMINISTRATIVE EXPENSES		
SALARIES AND BENEFITS	74,680	74,680
OPERATING EXPENSES	6,610	6,610
EQUIPMENT	<u>0</u>	<u>0</u>
TOTAL ADMINISTRATIVE EXPENSES	<u>81,290</u>	<u>81,290</u>
TOTAL DEDUCTIONS	<u>7,330,954</u>	<u>7,330,954</u>
NET INCREASE (DECREASE)	<u><u>\$ (74,539,017)</u></u>	<u><u>\$ (74,539,018)</u></u>

ND RETIREMENT AND INVESTMENT OFFICE
Notes to Combined Financial Statement
July 31, 2004

The following notes to financial statements are intended to provide general descriptions of line items in the financial statements.

NOTE 1 INVESTED CASH

Cash invested in the short-term investment fund (STIF/STEP) at The Northern Trust Company or a money market demand account at the Bank of North Dakota.

NOTE 2 OPERATING CASH

Money market and checking accounts at the Bank of North Dakota and RIO's operating account at the State Treasurer's Office.

NOTE 3 DUE FROM OTHER AGENCIES

Amounts paid in anticipation of the allocation of administrative expenses of RIO.

NOTE 4 FIXED ASSETS

Office furniture and equipment capitalized by RIO, shown net of depreciation. Depreciation is calculated straight-line, over five years.

NOTE 5 DUE TO OTHER AGENCIES

Amounts received from agencies in excess of amounts allocated for RIO administrative expenses.

NOTE 6 CASH IN DURING YEAR

Cash transferred into investment accounts at either The Northern Trust Company or the Bank of North Dakota during the current fiscal year.

NOTE 7 CASH OUT DURING YEAR

Cash transferred out of investment accounts at either The Northern Trust Company or the Bank of North Dakota during the current fiscal year.

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Notes to Combined Financial Statement
7/31/2004

NOTE 8 CONTRIBUTIONS & ASSESSMENTS

Assessments on teachers' salaries of 7.75 percent of salary plus a matching contribution paid by the employer unit, for a total contribution and assessment of 15.5 percent that must be remitted monthly.

NOTE 9 PURCHASED SERVICE CREDIT

Payments received on the purchase of service credit for TFFR as allowed by the North Dakota Century Code.

NOTE 10 PENALTY & INTEREST

Amounts charged to school districts for late payment or reporting of contributions and assessments.

NOTE 11 BENEFITS PAID TO PARTICIPANTS

Monthly annuity benefits paid to retired teachers on the first of each month.

NOTE 12 REFUND TO MEMBERS

Refunds of teachers' accounts who have ceased teaching in North Dakota.